



ARGENTINA 2018

LABOUR 20

L20 STATEMENT TO THE BUENOS AIRES G20 SUMMIT

BUENOS AIRES, ARGENTINA

“The G20 can be an important driver for policies that promote more and better jobs that respect the fundamental rights at work, comply with decent work standards, and include vulnerable groups.”

L20-B20 Joint Statement to the G20 Labour and Employment Ministers, 2018

1 Global economic governance has focused on delivering growth and largely disregarded that a narrow minority captures most of the benefits, while the vast majority see their incomes stagnating or declining. The race to the bottom concerns labour protection, the spread of precarious employment, austerity and other policies that weaken collective bargaining coverage and union density and that have deprived workers of decent work and fair wages. Meanwhile, and as shown by the OECD, returns on investment are booming and are reaching a level well beyond 10% annual profitability.

2 The current labour-capital imbalance in income entrenches a sense of economic injustice for workers and the disenfranchised. Ten years after the financial meltdown, people still feel betrayed by their taxes having saved a speculative-based economy that their political leaders then failed to reform. Having failed to deliver social justice and decent work for all, the multilateral system that governs globalisation is now at risk.

3 Millions of workers are denied freedom of association and the right to collective bargaining, minimum living wages, employment security, occupational health and safety, and social protection. Even where workers' rights are established in law, they are often poorly enforced and undermined in practice by short-term contracts, out-sourcing, the rise of non-standard forms of work, and increasing informality inclusive of digital platform business. Minimum wages, even when in place, often do not cover workers' basic living expenses. Raising the minimum wage and strengthening collective bargaining will do much to reverse the fall in the labour income share experienced in most countries, address inequality and provide the increase in global demand needed to sustain economic recovery.

4 Across the globe, women earn on average 77 cents on every dollar earned by men for each hour worked. Women's lower pay – combined with their greater concentration in part-time, informal and precarious work – leads to women's lower social security entitlements and higher risk of poverty. Guarantee of universal protection, investment in vital public services and care and minimum living wages will reduce gender-based inequality.

5 Global supply chains remain infested with forced labour, child labour, precarious work, low wages, and hazardous working conditions. The G20 Labour and Employment Ministers have addressed these concerns, and we now need leaders to support the negotiation of the UN Binding Treaty on Business and Human Rights and ensure that multinational enterprises address and provide redress for violations within their supply chains.

6 Tax evasion and avoidance have shrunk government revenues. Increasingly, public debt accumulation covers budgetary gaps. Such practices undermine the trust of citizens in public institutions and the economic system, as well as exacerbate high, unsustainable debt levels. The practice of a few governments, mostly developed countries, with secrecy jurisdictions and tax havens that help the super-rich to avoid paying taxes, is damaging both to the economy and to ethical global governance. Ensuring that everyone pays their fair share in taxes would increase revenue needed for social protection, public services, investment in infrastructure and the care economy, climate action, and disaster relief.

7 The current global rules have constructed an economic system that shifts income from the real economy to financial bubbles and from hard-working people to rent-takers.

8 Meanwhile, the Intergovernmental Panel on Climate Change asked governments to revise climate policy and goals to keep global warming below 1.5°C of change. A Just Transition to a zero-emissions economy that keeps the temperature rise under 1.5°C requires not only massive investment in new and redesigned jobs, skills training, and redeployment in new sectors, but also adequate income guarantees through comprehensive and universal social protection systems. Social dialogue and collective bargaining are central components of the Just Transition, delivering socio-economic results that work better for everyone, building consensus and easing policy implementation.

9 Technological change is certainly benefiting the global economy but not all equally, as benefits are not shared widely and market concentration is high in the digital economy, while digital divides persist and need to be tackled. Digitalisation is creating the potential for an economy of scale of truly global dimensions that is exacerbating income inequality. The richest individuals of today have enriched themselves through an exploitative business model. The digital transformation necessitates a Just Transition strategy of its own that helps workers keep their job or transition to a new employment opportunity of similar or better quality.

10 Challenges like workers' data privacy, data ownership, surveillance, platform employment, and competition laws preventing organising and bargaining for non-standard workers require global cooperation and cross-border social dialogue with a view to making the digital economy work for all. The G20 leaders should be preparing the workforce for the future of work with redeployment strategies, wage and working time readjustments, skills development and social protection. We also call on governments to establish effective governance and regulatory structures so that digital enterprises respect the labour and human rights of platform workers as well as pay their fair share in taxes and social contributions.

11 We welcome the first G20 Joint Employment and Education Ministers Meeting and we call the leaders to endorse and commit to implement its recommendations.

12 In order to ensure global policy coherence, the G20 should be using the framework of the Agenda 2030 for Sustainable Development as a guide in its policy coordination. The annual G20 Ministerial and Leaders Summits should review progress towards the accomplishment of all Sustainable Development Goals and issue special reports to identify impediments and challenges. Further to this, and in order to promote a better policy coherence, we urge for a Joint Meeting between Employment and Finance Ministers.

13 Policy cooperation in the G20 would only serve its global policy coherence goals if all countries implemented their commitments. The G20 should establish an improved monitoring mechanism on government action, and report on implementation, including on failure to implement.

14 In addition, the G20 leaders shall strengthen the ILO's role in multilateral global governance due to its tripartite nature, social dialogue and normative role.

15 The global trade union movement calls on G20 leaders to agree action:

16 On Decent Work:

- ensuring minimum living wages, based on the cost of living and regularly adjusted with full involvement of social partners;
- promoting the fundamental rights to organise and collective bargaining for all workers, particularly on wages, providing an enabling environment for trade unions to organise and taking measures to increase the coverage of agreements;
- establishing and strengthening collective bargaining as a consensual mechanism to improve the living conditions of workers and productivity;
- reinforcing and investing in universal social protection systems;
- purging global supply chains of precarious work, informality, slavery and child labour and ensuring that companies take responsibility for their obligations towards workers, including by incorporating human rights due diligence throughout their operations;

17 On climate change:

- revising climate policy and goals to keep global warming below 1.5°C of change;
- taking action to achieve the objectives of the Paris Climate Agreement including by promoting and implementing strategies for a Just Transition to a net zero-emissions economy;

18 On digitalisation:

- promoting social dialogue on technology deployment and investment needs, tripartite governance of transition and training funds;
- reinforcing and adapting social protection systems;
- taking early measures to ensure that non-standard forms of work are not used to avoid responsibility for employment relationships, and ensuring that workers in such jobs enjoy all labour rights in line with the Labour and Employment Ministers' Declaration of September 2018;
- providing comprehensive professional training that covers the technical aspects of each occupation and also integrates skills related to the culture of work, health and safety, environment, citizens' values and sustainability, and in general promoting training as a tool that contributes to the construction of society;

19 On gender equality:

- adopting and enforcing robust anti-discrimination and equal pay measures and addressing barriers to women's recruitment, promotion and skills development;
- implementing work-life balance policies, including quality care services and paid family leave for both women and men, in order to remove barriers to the labour market for workers with family responsibilities and to ensure increased participation for women;
- addressing violence in the workplace with legislation on domestic violence leave;

20 On taxation:

- taxing on the basis of a formula apportionment, which would treat multinational enterprises and their subsidiaries for what they are: single entities;
- working towards the upward convergence of corporate tax rates;
- stepping up the fight against letterbox company practices and requiring that subsidiaries are enterprises conducting real economic activities, with employees and management, and physical establishment;
- tackling the digital economy challenges, including by adapting the notion of permanent establishment;

- requiring public country-by-country reporting;
- establishing automatic sharing of data between tax authorities;
- empowering national tax administrations with human and physical resources and training and improving cooperation for mandate for international joint investigations;

21 With public investment in

- infrastructure to achieve a rapid transition to renewable energy and cleaner industrial practices to promote a circular economy, to bridge digital divides, to promote public transportation, and to guarantee universal access to water and sanitation;
- universal access to quality public services and public education and lifelong training;
- the care economy, to formalise jobs and create new employment, as well as take measures to increase the quality and attractiveness of work within the care sector.



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